

Message Text

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44

ACTION IO-14

INFO OCT-01 AGR-20 RSC-01 AID-20 EB-11 AF-10 ARA-16 EA-11

EUR-25 NEA-10 COME-00 ISO-00 IOE-00 OMB-01 ABF-01

TRSE-00 L-03 PA-04 PRS-01 USIA-15 CIAE-00 INR-10

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E.O. 11652: N/A

TAGS:

SUBJECT: FAO PROGRAM OF WORK AND BUDGET AND RELATED ITEMS.

REF: ROME 10585

SUMMARY: FAO DEPUTY DG AND SENIOR STAFF BRIEFED PERM REPS OCT. 18 ON OUTCOME PROGRAM AND FINANCE COMMITTEE SESSIONS AND PRINCIPAL ITEMS 17TH CONFERENCE AGENDA. ALTHOUGH NOTING NUMEROUS COMPONENTS STILL UNCERTAIN, SPOKE OF PROPOSED REGULAR PROGRAM OF WORK AND BUDGET AROUND \$108.3 MILLION FOR 1974-75. EXPLAINED FINANCE COMMITTEE RECOMMENDATIONS RE SCALE OF CONTRIBUTIONS 1974-75. OUTLINED FAO HOPES RE CONFERENCE DISCUSSIONS ON AGRICULTURE ADJUSTMENT AND WORLD FOOD SECURITY PROPOSALS OF DG AND, WHILE SUPPORTING SECRETARY'S INITIATIVE ON WORLD FOOD CONFERENCE, ASKED GOVERNMENTS NOT ALLOW PLANNING FOR LATTER DIVERT MEMBERS FROM TAKING CONCRETE STEPS ON FORMER ITEMS WHICH ALREADY OFFICIALLY ON CONFERENCE AGENDA AND MUCH RELATED. END SUMMARY.

1. JACKSON, FAO DEPUTY DIR-GEN AND SENIOR OFFICERS BRIEFED UNCLASSIFIED

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PERM REPS OCT. 18 ON MAJOR ITEMS AGENDAS PROGRAM AND FINANCE COMMITTEES AND FORTHCOMING COUNCIL/CONFERENCE SESSIONS. MEETING WAS CONFINED MOSTLY SECRETARIAT PRESENTATIONS, SINCE INTERPRETERS BORROWED FROM COMMITTEE COMMODITY PROBLEMS. WITH

REGARD PRESENT BIENNIUM, DG EXPECTED HANDLE ALL UNBUDGETED COSTS (NOW ESTIMATED AT \$6,796,000) WITHOUT RECOURSE WORKING CAPITAL FUND.

2. WITH REGARD 1974-75 PROPOSALS DG PREPARING SUPPLEMENTAL BUDGET INFO WHICH WILL INCLUDE ADDITIONAL INCREASES NOT RAISED DURING PROGRAM AND FINANCE COMMITTEE SESSIONS AND THUS NOT REPORTED REFTEL. SPECIFICALLY THESE ARE: (1) COST IN 1974 OF PANEL LOOKING INTO GENERAL SERVICE SALARIES; (2) BIENNIAL RENT FOR FAO LIAISON OFFICE WASHINGTON; \$84,000 (MINIMUM); (3) SHORT TERM STRENGTHENING FINANCIAL SERVICES DIVISION AS RECOMMENDED BY EXTERNAL AUDITOR AND FINANCE COMMITTEE, \$200,000; (4) SUPPORT FOR UN ENVIRONMENTAL ACTIVITIES ALLOCATED FAO WITHOUT PROVISION FOR OVERHEAD, \$450,000; (5) CREATION OF POST IN ROME OF EXECUTIVE SECRETARY, INTERNATIONAL RICE COMMISSION, P-4, WITH SECRETARIAL SUPPORT AND (6) PROVISION FOR MISSIONS TO ADVISE GOVERNMENTS ON ESTABLISHMENT OF NATIONAL FOOD STOCKS AS RECOMMENDED IN DG'S WORLD FOOD SECURITY PROPOSALS, \$350,000. FINANCIAL ESTIMATES NOT GIVEN FOR 1 AND 5.

3. TOTAL ABOVE COSTS WHICH DESCRIBED AS "NEW PROGRAM ADDITIONS". REPORTED AS SOMETHING OVER \$1 MILLION. ALONG WITH ITEMS REPORTED REFTEL, AND WITH POSSIBLE REDUCTION IN AMOUNT FOR GENERAL SERVICE WAGE INDEX, SHOULD PANEL NOT RECOMMEND CONTINUATION 5 0/0 INCREASES, TOTAL PROPOSAL COULD BE \$108.3 MILLION FOR 1974-75. THIS WOULD BE INCREASE OF 34 0/0 OF WHICH ABOUT 30 1/2 00 ATTRIBUTED BY FAO TO COST INCREASES. DIRECTOR OF PROGRAM FORMULATION AND BUDGET, WEST, WHO PRESENTED THIS, WENT TO CONSIDERABLE PAINS AVOID SAYING IT WAS DG'S PROPOSED LEVEL. HE FUZZED ISSUE CONSIDERABLY AND SAID DG PREPARING DOCUMENT CONTAINING THIS SUPPLEMENTAL INFO.

4. FOLLOWING ON ABOVE, GENERAL PICTURE NOW AS FOLLOWS:

(A) BUDGET PROPOSED JUNE 1973	\$101,500,000
(B) PROPOSED TRANSFER TRUST FUND POSTS TO RB	1,000,000
(C) PROVISION IN 1974-75 FOR POST AND WAGE INDEX	
ADJUSTMENTS WHICH WERE EFFECTED 8/1 AND 9/1, 1973	608,000
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(D) PROPOSED (1) INCLUSION OF FIVE POST ADJUSTMENTS	2,660,000
IN PROFESSIONAL SALARY BASE AND (2) REVISION	
BASE ON WHICH ADJUSTMENTS CALCULATED	
(\$3.21 MILLION IF ONLY (1) OCCURS)	
(E) HEALTH INSURANCE RENEGOTIATION	350,000
(F) RECALCULATION CERTAIN BUDGET ELEMENTS	
AT 563 LIRA PER DOLLAR	1,200,000
(G) NEW ITEMS LISTED IN PARA 2 ABOVE.	1,000,000

\$ 108,318,000

THIS FIGURE (\$108.3 MILLION) DOES NOT REPEAT NOT INCLUDE EARLIER ESTIMATED \$1.66 MILLION FOR WAGE INDEX PAYMENTS AT

5 0/0. DG INTENDS OTHERWISE FUND SHOULD GS SALARY SURVEY HAVE UNEXPECTED RESULTS AND PRESENT SYSTEM CONTINUE.

5. NOTE: REACTION NUMBER OF PERM REPS IN MEETING AND AFTERWARDS WAS CONCERN AT STILL FURTHER INCREASES SOME OF WHICH REALLY NOT PROGRAM AND MOST OF WHICH SHOULD HAVE BEEN EXPECTED AND THEREFORE RAISED WITH PROGRAM AND FINANCE COMMITTEES IN RECENT MEETINGS. WILLINGNESS TO OTHERWISE HANDLE \$1.66 MILLION POSSIBLE NECESSARY FOR WAGE INDEX ADJUSTMENTS NOT REALLY HELPFUL SINCE PRACTICALLY NO ONE BELIEVES THIS WILL BE NEEDED ANYHOW.

6. NOTING SLOWDOWN IN RECEIPT CONTRIBUTIONS 1973, DDG APPEALED GOVERNMENTS PAY REMAINING ASSESSMENTS AS SOON AS POSSIBLE. HE CITED \$8 MILLION YET OUTSTANDING FOR THIS YEAR BUT FORTUNATELY DID NOT POINT OUT \$6.3 MILLION OF THIS IS U.S. UNPAID PORTION. (LATER ADG ADMINISTRATION APPROACHED U.S. AND ASKED THAT MONEY BE PAID ASAP. WITHOUT IT, HE FEARED FAO MIGHT HAVE CASH DEFICIT POSITION DECEMBER 31).

7. REPORT THEN PRESENTED ON DG'S RATIONALIZATION PROPOSALS AND DECISIONS IN PROGRAM AND FINANCE COMMITTEES. NO SURPRISES ENSUED BUT DDG DID SAY "CERTAIN CONSOLIDATIONS OF STAFF AROUND ADG, "WHO WILL HANDLE BOTH ECONOMIC AND SOCIAL POLICY AND AGRICULTURE DEPARTMENTS IN MOST OF BIENNIUM, WILL BE NECESSARY.

8. IN PRESENTATION ON REVIEW OF FIELD PROGRAMS, FAO CALLED UNCLASSIFIED

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ATTENTION TO ITS SURVEY WHICH CLAIMS THAT IN 1972 REGULAR PROGRAM PROVIDED NET SUPPORT OF AROUND \$6 MILLION TO FAO FIELD PROGRAMS. OF THIS ESTIMATE \$3.95 MILLION WAS SUPPORT FOR UNDP, \$1.69 MILLION FOR OTHER TRUST FUNDS AND \$495,000 FOR WFP.

9. FINANCE COMMITTEE RECOMMENDATIONS ON SCALE REPORTED AS FOLLOWS: (1) SCALE SHOULD BE BASED ON UN SCALE FOR 1974-76, (2) MAXIMUM CONTRIBUTION SHOULD NOT EXCEED 25 0/0 BUT NO PRESENT MEMBERS CONTRIBUTION SHOULD INCREASE AS A CONSEQUENCE THEREOF, (3) NEW MEMBER CONTRIBUTIONS SHOULD BE USED TO EXTENT NECESSARY TO REDUCE LARGEST CONTRIBUTION TO 25 0/0 AND (4) MINIMUM CONTRIBUTION SHOULD BE 0.02 0/0. CLARIFICATIONS WERE SOUGHT IN QUESTIONING BUT THERE WAS NO OPPOSITION TO RECOMMENDATIONS.

10. ADG OJALA THEN MADE OVERLY LONG PRESENTATION ON AGRICULTURAL ADJUSTMENT AND WORLD FOOD STOCK PROPOSALS. ARGUMENTS WERE NOT NEW BUT HE PRESSED FOR MEMBERS TAKE POSITIONS IN CONFERENCE WICH WILL LAUNCH BROAD AGRICULTURAL ADJUSTMENTS STEPS NECESSARY TO MOVE TOWARDS GOALS ACCEPTED BY GOVERNMENTS FOR DDII AND, WITH REGARD FOOD STOCKS, PROVIDE "FRAMEWORK" FOR NATIONAL COMMITMENTS ON FOOD STOCKS AND INTERNATIONAL

CONSULTATIVE MACHINERY. WHILE STRESSING FAO SUPPORT FOR SECRETARY KISSINGER PROPOSAL ON WORLD FOOD CONFERENCE, HE PLEADED GOVERNMENTS NOT FAIL TAKE ACTION AT 17TH CONFERENCE ON THESE OTHER IMPORTANT AND RELATED MATTERS. HE REPORTED ON SECTIONS UNDERWAY IN GA AND ECOSOC ON SECRETARY'S PROPOSALS AND SAID DG WOULD CONSULT GOVERNMENTS IF ECOSOC REFERS ISSUE TO FAO AS EXPECTED.

1. SINCE PRESENTATIONS OFTEN STRESSED FACT DETAILS NOT YET AVAILABLE AND CONSUMED ALMOST ALL TIME ALLOCATED, QUESTIONING CONFINED MOSTLY TO CLARIFYING FIGURES AND ITEMS PRESENTED ORALLY. MEMBERS EXPRESSED INTEREST IN RECEIVING REPORTS PROGRAM AND FINANCE COMMITTEES AND DG SUPPLEMENTAL INFORMATION AT EARLIEST DATE. (SECRETARIAT PROMISED FOR WEEK OCT. 21.)

12. MEETING OPPORTUNE SINCE GENEVA GROUP HAD SCHEDULED MEETING FOR AFTERNOON SAME DATE. REPORT THIS DISCUSSION FOLLOWS IN SEPTEL.VOLPE

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Message Attributes

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Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
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Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: n/a
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